A Study of Human Resource Management in Organized Retail Sector Industry with Special Reference To Latur District

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INTRODUCTION

At the root of success of every established organization, there lies a team of its committed and dedicated employees. It is their hard work and intense efforts which enable a firm to achieve its goals and mission. This is the reason why firms consider their human resources as the most valuable assets. It is human resources which enable a firm to stand at advantage in this competitive and dynamic business environment. Their performance facilitates higher revenues, corporate image, customer satisfaction, wider market share and much more.

Almost every firm have human resource management department in their organization. Traditionally, this department performed variety of functions irrespective of its contribution to business performance and contribution to the needs of employees. These functions include: recruitment, selection, staffing, training, performance measurement, compensation and motivation. It was concerned with administration of human resource and can be termed as technical human resource management. It was towards the end of 1970s, new approach towards the human resource development called Strategic Human Resource Management (SHRM) marked its existence. SHRM involves designing and implementing set of internally consistent policies and practices that ensure firm‟s human capital (employees‟ collective knowledge, skills and abilities) contributes to achievement of its business objectives.

With the advent of SHRM emphasis shifted from simply managing human resources to developing them. For this purpose importance now was placed on advanced techniques of training and development, career development and organizational development.

Liberalization and globalization of Indian economy has posed new challenges to Indian business firms in terms of strategies, technology, quality, and cost and so on. If firms had to cope up with such dynamic and competitive environment, they needed to focus on their human resources, as they are the only active resource of business. Money, material and machines being passive factor of production; need assistance of human resources. Human Resource (HR) plays significant role in implementation of strategy and management of systems. Thus HR became the most valuable resource. HR started to be recognized as strategic business partner in planning policies and attaining organizational goals. In order to justify the claim of being strategic partner HR managers must clearly demonstrate the way in which HR practices contribute to the business performance and organizational goals. However, proper tool is required to measure effectiveness of HR function for this purpose. HR Audit is one such tool that links the HR system and policies to organizational objectives while focusing on business needs of internal customers.

Human Resource Management (HRM) is the organizational function that deals with issues relating to people such as compensation, hiring, performance management, safety, benefits,

employees motivation, communication, administration and training.HRM is a strategic and comprehensive approach of managing people at workplace. Its role in the company's success is growing rapidly with the growth in many sectors in the present globalized era. The HRM practices are crucial in designing the structure for manpower staffing, performance appraisal, compensation and training and development. Innovative HRM practices can play a crucial role in changing the attitude of the employees. The HRM practices in the service sector especially in the area of retailing have found significant importance in the present scenario. The retailing is one of the service sectors where the need of qualitative human resource is highly expected [1]. So, the present paper focuses on the HRM practices in the organized retail industry in India and highlighted the current HR challenges faced by the industry. Part I gives an overview of the India retail industry. Present study focuses onHuman Resource Management in organized retail sector industry in the district of Latur. Retailing has been defined as a business activity involving sale of goods and services toconsumers for their personal, family or household use. Although retailing has been around since times immemorial, it was in the 20th century that significant changes occurred in the retail sector, especially in the developed countries. Modern formats of retailing, such as department stores, discount stores, supermarket, convenience stores, fast food outlets, specialty stores, warehouse retailers and hypermarket, are now making inroads into developing countries of the world. Retailing has become more organized and chain stores (using sophisticated information technology and communication to manage their operations) are coming up at the expense of independent shops.

Retail sector in India is mainly divided into:

1) Unorganized retailing - Local Kirana Shop, Mom & Pop store.

2) Organized retailing – Licensed retailer like Shopping Mall, Super Market, Departmental store.

OBJECTIVES OF THE STUDY

- To study the impact of Human Resource Management in organized retail sector industry.
- To examine the whole organizational system of Human Resource practices in sample organization.
- To examine the trends of HR practices in retail industry.
- To find out the satisfaction level of employees as a consequence of HR Practices of the retail industry.
- To established relationship between HRM practices and satisfaction levels.
- To study difference in quality of service in organized retail and unorganized retail industry.
- To analyze the impact of Human Resource Management on employee`s productivity.

REVIEW OF LITERATURE

Available literature in the research domain is reviewed to look into the available work done in research papers, journals, write-ups on websites, newspapers, books etc. to understand the studies undertaken in the area of research. Review of literature is segmented in three parts namely "Link between HR practices and organizational performance", "Measures to evaluate HR practices" and "HRM practices in retail business". Various studies have shown that good HR practices can influence financial and other performance indicators of corporations by generating employee satisfaction, which in turn can influence customer satisfaction.

Recent researches worldwide have shown that good HR practices and policies can go a long way in influencing business growth and development.

Mark A. Huselid (1995) stated that the investment in high performance work system is associated with lower employee turnover and greater productivity and corporate financial performance. He also concluded that the impact of high performance work practices on corporate financial performance is in part due to their influence on employee turnover and productivity.

Zaini Abdullah, Nilufar Ahsan and Syed Shah Alam (2009) found that training and development, performance appraisal and team work have positive impact on business performance but compensation/incentives and employee security do not have significant impact on business performance.

Pfeffer (1998) has proposed seven HRM practices that are expected to enhance organizational performance.

1. Employment security.

2. Selective hiring of new personnel.

3. Self-managed teams and decentralization of decision making as the basic principles of organizational design.

4. Comparatively high compensation contingent on organizational performance.

5. Extensive training.

6. Reduced status distinctions and barriers, including dress, language, office arrangements, and wage differences across levels.

7. Extensive sharing of financial and performance information throughout the organization.

Patrick M. Wright, Timothy M. Gardner and Lisa M. Moynihan (2003) found that there is positive relationship between HR practices and productivity, quality and operating expenses and profitability.

National Skill Development Corporation (NSDC) Report on Human Resource and Skill Requirements in the Organised Retail sector - Study on mapping of human resource skill gaps in India till 2022 (2012) states that:

i. The retail industry employs over 35 million persons 1 with the majority of the employment being in unorganised sector. The employment in the organised segment is about 0.3 million.

ii. The Organised Retail industry has a large proportion of the incremental human resource requirement with adequate skills.

Keeping in view above scenario, broad possible focus areas for NSDC for skill building in the Organised Retail sector are:

i. Emphasis on basic formats/categories to advanced formats/categories – with specific emphasis on apparel retail, technology and lifestyle retail, generic/Food and Grocery retail.

ii. Entry level training for specific product categories, company specific training hold potential.

Such Importance of HR in retail industry calls for effective Human Resource Management (HRM) practices of recruitment and training and development.

Julia Merkel, Pall Jackson and Doren Pick(2006) in their book "New Challenges in Retail Human Resource Management" have pointed that retailing means serving the customers in direct and personal way. Retailing is a labour intensive industry and people are driving force behind every retail transaction. Again long working hours and peaks in trading day/week along with sophisticated and well informed customers require special focus on HRM. In such conditions, HRM needs to provide "coach" to organize and support employees and management mentally and professionally, which would enable them to achieve organizational objectives. He also pointed out that retailing is characterized by longer working hours and lower pay. Thus, future HRM has to find the practical way so as to achieve a balance between company‟s and employees‟ needs in terms of working hours and payment and customers‟ service requirements.

Rao (2003) state in his another study that Indian organizations seem to have played only lip sympathy to human resource development as (i) they do not follow the structure principles, (ii) very few have feedback and counseling system (iii) no separate potential appraisal system and (iv) mostly do not have full time human resource development facilitator.

Singh Anil Kumar (2003), in the paper, 'Philosophy of management and human resource management in Indian organization' has assessed various HRM practices in Indian organization and examine the relationship between HRD practices and the philosophy of management. The

objectives of the study were (1) to investigate the various HRD practices like HR planning, recruitment selection, performance evaluation, training and development, career management and rewards at managerial level in public and private sector organization, (2) to examine the nature of differences in the philosophy and management subscribe by the organization towards employee working, (3) to examine the nature of relationship between HRD practices philosophy and management in public and private sector; (4) to examine the impact of HRD practices and organizational culture on philosophy and management in public and private sector.

Kumar (2005) identifies the relationship between human resource development practices and the philosophy management of the Indian business organization based on x and y theory 95 and 119 respondents from two private and public organizations were selected. The study found that there was no significant relationship between the variable of human resource development practices and the philosophy of management in the public sector organization whereas in the private sector it is highly for training and reward.

Gupta and Singh (2005) in their study on human resource development in financial sector pointed out that due to changing scenario of the banking system in the country, there is an urgent need for redefining and remodeling the strategies associated with human resource development. This is based on twosample banks namely Punjab National Bank (PNB) and Standard Chartered Bank (SCB). Human resource development practices profile of SCB is better than PNB.

Bains (2007) studied a comparative human resource development system of public and private sector organizations and trace that there is need to create a desirable organizational culture. He concluded that integrated human resource system developed by the private sector in a better way as compared to the public sector companies.

Vazirani (2007)studied benchmarking of human resource practices in selected pharmaceuticals companies and finds that all the companies surveyed had a performance management system, which in turn helps to identify training needs of employees, promotions enhancing decision making ability, career planning discipline.

Virmani (2007)57, covers a wider field, management practices in different organization all over India. Main purpose of this study is to find out what arethe current trends, how can they be objectively quantified for a systematic study what conditions prevail in the organization and what element constitute the practices. Objective of the study are

- To find out current trends of Indian Management practices

- Different study to quantified three practices objectively.

Khan (2008) finds that most of the employees feel need to re-restructure the organizations, train and develop them according to its pre-determined objectives. They feel that their potentialities

are not fully utilized for enhancing performance/productivity of organizations. Conflict between employees and the management leads to unsatisfactory service.

Dixit (2009) assessed human resource development practices in urban cooperative banks in Pune district based on manpower planning, performance potential appraisal, training, career planning, organizational development, rewards, employee welfare, quality of working life and human resource information for 9 co-operative banks at top, middle and lower level. This is comprehensive and empirical study. Study used comparative approach and suggested transformational model.

Gowali (2010) reviewed 50 studies on human resource development / management incorporate sector of Indian covering manufacturing and service sector. Her study was based on primary data. Data was collected by preparing questionnaire I & II for 8 and 11 parameters. Mean, standard Deviation, coefficient of correlation. 'Z' test were used as statistical tools and technique. 100 organization and 333 respondents was the sample size. She found that there is not much difference between the human resource development practices in manufacturing sector and service sector and there is a impact of employee motivation towards training programme on transfer of learning on the job.Improving the competence of workforce through training and development activities is seen as a way of creating a competitive advantage. From the strategic perspective, training is employed not only to improve an employee's current skills, but also to prepare each employee for future responsibilities. In the process of learning within an organization, human capital becomes increasingly firm – specific and cannot readily be reproduced by its competitor (Chen and Hung, 2010)64.Initially, human resource planning is critical to an organization's strategic plan through systematically matching the interests, skills and talents of the workforce with long-term goals and opportunities in the organization, pointed out by Nixon (2011)

Bhamare (2011) studies human resources practices of women's urban cooperative banks in Maharashtra. Practices in manpower planning, recruitment, training performance appraisal, promotion, career planning and welfare were studied on the basis of primary data collected by way of questionnaire, by using frequency and percentage and average as a statistical tools and techniques. Strategic approaches to recruitment are rare but recruitment is a strategic opportunity indeed. Ideally recruitment should not simply be a question of filling gaps, instead should be productivity focused on bringing the specific kind of skills and experiences in the organization especially those which cannot be built from within Shafique, (2012).

The strategic HRM field has emphasized human and social capital as key resources for firms, yet focused primary on organizational level conjectures such as the configuration of high-performance work practices and their 'fit'with the organizational strategy (Makela, Sumelius, Hiogland and Ahlvik, 2012).

Confederation of Indian Industry (2012) and Index advisory private Ltd. Studied the state of human resources/industrial relations in small and medium enterprises segment. They assessed basic human resources, recruitment, training, manpower planning, performance management, compensation, career planning and industrial relation. They found only 61 percent companies have presence of human resource department.

Jains (2012) paper based on a doctoral dissertation, assess the impact of the reform program on PSB from 1991 to 2008 on HRM practices. Data was collected through questionnaire and interview. Secondary data was collected from database available with RBI in the form of annual report, publication from IMF and bank of international settlements and working papers by various banks published from time to time.

RESEARCH METHODOLOGY

It is a science of studying how research is done scientifically. In research methodology we study certain which are adopted by researcher in studying his research problem along with the logics associated with them. Research methodology is used to collect information and data for making the business decisions. The methodology may include various publication research, interview, surveys and other research technique adopted to collect the information which include both present and historical information.

Sources of data:

As per the need of the research study both primary and secondary data are collected.

I Primary Data:

Primary data refers to the data collected by the researcher through questionnaire from HR managers, employees and customers of selected retail firms in Latur district. Primary data will collect from at different level from top level to bottom level. Various methods of data collection like interviews, telephone interview, questionnaire interview, survey , personal interview will be used to collect information.

Primary data are collected through

a. Questionnaire

b. Personal Interview

c. Telephonic Interview

d. E-mail

II Secondary Data:

Secondary data for the study are being collected from the following sources

- Annual Reports of the companies
- Company and Trade Associations Magazines
- Websites of selected firms
- Reports of Ministry of Trade and Finance
- Journals, Magazines and Periodicals
- News papers
- Various publication

Sample of the Study:

Out of the universe researcher selected a sample of retail firms, which represents almost 50 percent of the universe. Simple random sampling method was selected for the purpose. The following table represents sample of the study.

SR NO	Name of the Retail Firms
1	D-Mart
2	Big-Bazar
3	Relience-Mart
4	Relience Digital

Sample Unit : Latur District only

SIGNIFICANCE OF THE STUDY

The study on Human Resource Management in retailing would be of great use in future due to following reasons.

i. Due to technological progress and spread of educational institutions workers will increasingly became aware of their higher level needs, manager will have to evolve appropriate policies and techniques to motivate the workers.

ii. Technological developments will require retraining and mid career training of workers and managers. Rise of the international corporation is proving new challenges for personnel function.

iii. Due to improved educational facilities for women, Schedule caste, Schedule tribe there has been increase in educational qualification of such group. This will change the composition of work force. New policies would be required for such change.

iv. Government is also controlling HRM by introduction of labour laws. Businessmen are required to cop up with such laws.

v. On 20th September 2012, the Government of India formally notified the FDI reforms for single
brand (100%) and multi brand retail (51%), thereby making it effective under Indian law. This will require adaptation of more effective HR strategies to compete with foreign firm entering in Indian market.

vi. This research will bring transparency in the HRM practices.

vii. This research will motivate HR managers and employees to contribute extensively for improvement of HRM standards.

viii. This research study will give feedback to the stakeholders of the retail firms.

ix. This research will bring out the weaknesses of the current HRM practices adopted by retailers that will lead to improvement of existing conditions.

x. This will draw attention of policy makers to the HRM conditions prevailing in the retail sector/ service sector.

Hypotheses of the Study

The Hypotheses of the following study are :-

ThereisapositiverelationamongtheHRMpracticesandOrganisationspolicies

Theemployeesworkinginretailindustryaresatisfiedwiththe HRMpoliciesadoptedbyretailenterprises

Thesatisfactionlevelofemployeesofdifferentagegroupsissame.

Chapter Scheme

Chapter: 1 Introduction

Chapter: 2 Review of literature

Chapter: 3 Research methodology

Chapter: 4 A study of human resource management in organized retail sector industry in Latur District.

Chapter: 5 Suggestion/Recommendation

Chapter: 6 Summary of Conclusion

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